

From: Ken McKinstry
To: HIPAA_Team
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Subject: HIPAA e-news

Here is a number of articles that may be of interest from Health Data Management magazine:
<http://www.healthdatamanagement.com/>

Effort to Delay HIPAA is Aborted

An effort to delay implementation of nationally mandated transaction standards under the Health Insurance Portability and Accountability Act has failed, at least for now. Several sources confirm the Blue Cross and Blue Shield Association attempted to enlist provider and payer organizations to sign a letter asking for a two-year delay in implementing standards for electronic transactions. Most payers and all providers must comply with the standards by October 2002. Members of Congress and officials of the Department of Health and Human Services would have received the letter. However, according to sources, the Blues association got little support on the issue, although the Health Insurance Association of America reluctantly was ready to sign the letter. During a conference call on Sept. 21, participants decided to shelve the idea. Executives with the Blues association were unavailable for immediate comment. (Sept. 22)

A quote:

"The planning process really takes an organization into uncharted territory. Because of the scope of the project, you have to plan on how to change business practices across the board. But because most of the rules aren't yet final, you have to have flexibility so you can tweak your plans when the rules are finalized."
-- Richard Skinner, CIO, Providence Health System, Tigard, Ore., on provider and payer organizations beginning to plan for implementation of rules stemming from the Health Insurance Portability and Accountability Act of 1996.

An article:

Survey: Hospital Execs Still Don't Get HIPAA
Many hospital CIOs believe their information technology staffs are knowledgeable about the impact of the Health Insurance Portability and Accountability Act of 1996, according to a new survey. But HIPAA awareness lacks among hospital administrators, say respondents to the

survey from the Center for Healthcare Information Management, Ann Arbor, Mich. CHIM, a trade association representing information technology vendors, surveyed 106 hospital CIOs.

Some 77% of hospital information technology department employees are knowledgeable about the impact HIPAA's standards for transactions, data security and privacy will bring, according to respondents. But only 52% of respondents say their hospital's non-information technology executives understand HIPAA's impact. Only 35% of respondents say their hospitals are "far along" in planning for HIPAA. Compared to costs to fix the year 2000 problem, 45% of respondents believe HIPAA costs will be somewhat or much higher. Another 20% believe the costs will be about the same. (Sept. 27)

Local codes have routinely been included in contract language between payers and provider organizations. The elimination of the practice could mean contract revisions on a grand scale, observers say, and the resultant drain on managed care organization resources could limit the extent to which health plans report HEDIS data for the next two years. A special report on managed care organizations' automation of the HEDIS reporting process will appear in the November 2000 issue of Health Data Management magazine. Sept. 27.

Blues Plans Pick Software for HIPAA Compliance

Health Care Service Corp. has selected software from New Era of Networks Inc., Denver, to assist in regulatory compliance and electronic commerce initiatives. Health Care Service Corp. is the parent company of Blue Cross and Blue Shield plans in Illinois and Texas. The plans, which process more than 12 million electronic transactions per month, will use NEON'S translation software to comply with standard formats mandated under the Health Insurance Portability and Accountability Act of 1996. (Sept. 26)

Premier Seeks HIPAA Funding

With implementation of mandates under the Health Insurance Portability and Accountability Act of 1996 expected to cost billions of dollars, a major purchasing alliance is asking the federal government for financial help. In a recent letter to a federal health official and members of Congress, Premier Inc. argues it is unreasonable to expect financially stressed hospitals to absorb

all costs to comply with HIPAA's transactions, security and privacy standards. San Diego-based Premier serves 1,800 hospitals. Herb Kuhn, Premier's vice president of advocacy, wrote the letter to Michael Hash, deputy administrator of the Health Care Financing Administration. Copies went to four leaders of the House Commerce Committee: Reps. Tom Bliley (R-Va.), John Dingell (D-Mich.), Michael Bilirakis (R-Fla.) and Sherrod Brown (D-Ohio).

Referencing cost estimates of up to \$43 billion, Kuhn wrote, "While these estimates are not new, we are concerned that the Administration has yet to develop a proposal to soften the blow and mitigate the burden of these mandated costs." Premier, Kuhn wrote, proposes the costs be eligible for full pass-through Medicare reimbursement. The pitch for HIPAA funding came at the end of the letter, which primarily dealt with cost issues related to medical error reduction technologies, which Premier also wants eligible for pass-through reimbursement. (Sept. 20)
